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5 ATTORNEYS FOR Debtors

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8 UNITED STATES BANKRUPTCY COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
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11 IN RE: ) Case No. 09-51900 ASW  
12 BENYAM and PAULA R. MULUGETA, ) CHAPTER 11  
13 Debtors. ) Date: September 30, 2009  
14 ) Time: 2:15 p.m.  
15 ) Room: 3020  
16 ) Place: United States Bankruptcy Court  
280 S. First St. Room 3020  
San Jose, CA 95113  
17 ) Judge: The Honorable Arthur Weissbrodt

18 **SUPPLEMENTAL DECLARATION OF WILLIAM J. HEALY RE: MOTION TO EXTEND**  
19 **TIME ON ORDER RE MOTION FOR RELIEF FROM AUTOMATIC STAY ("Harrison")**  
20 **AND MOTION TO SELL REAL PROPERTY ("Harrison")**

21 I, William J. Healy, do hereby declare:

22 1. I am an attorney at law duly licensed to practice before all the courts of the State of California  
23 and several districts and divisions of the United States District Court in the State of California,  
24 including this court. I am a member of the law firm of Campeau Goodsell Smith ("CGS"), attorney  
herein for Debtors and involved in the above entitled bankruptcy.

25 2. I submit his declaration of my own personal knowledge except as to those matters upon which  
26 I am informed and believe and as to those matters I am informed and believe them to be true. If  
27 called to testify as to the matters stated herein I could do so in an honest and competent manner. By  
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SUPPLEMENTAL DECLARATION OF WILLIAM J. HEALY RE: MOTION TO EXTEND TIME ON ORDER RE MOTION FOR  
RELIEF FROM AUTOMATIC STAY ("Harrison") AND MOTION TO SELL REAL PROPERTY ("Harrison")

1 way of this declaration I do not intend to waive any attorney client or work product privileges.

2 3. I submit this supplemental declaration in support of Debtors Benyam and Paula R. Mulugeta's  
3 ( "Debtors") MOTION TO EXTEND TIME ON ORDER RE MOTION FOR RELIEF FROM  
4 AUTOMATIC STAY ("Harrison") and MOTION TO SELL REAL PROPERTY ("Harrison") and  
5 pursuant to the Court's order at the initial hearing on September 23, 2009.

6 4. On September 23, 2009, the Court instructed counsel for Debtors to file a declaration regarding  
7 the status of the sale, and proof of deposit, and a declaration of Mr. Relan.

8 5. Initially, I, as Debtors' counsel, apologize to the Court for not being able to file substantive  
9 declarations as indicated above. I did provide a telephone update, as of approximately 11:45 a.m., to  
10 counsel Lone Oak Fund, LLC. ("Lone Oak") and also indicated that in light of today's activity,  
11 described herein, I would not file pleadings by noon, but file a declaration and/or declarations once I  
12 had more information.

13 6. Trading Spaces, LLC did not close the transaction on Friday, September 25, 2009, pursuant to  
14 the addendum to the sales contract. Debtors' met with Trading Spaces, LLC last week and  
15 yesterday, but was unable to secure closure of the transaction or payment from Trading Spaces,  
16 LLC. Debtors' counsel and/or Debtors will send Trading Spaces, LLC. a formal notice of  
17 cancellation.

18 7. Debtors, as previously indicated, anticipated Mr. Relan's return to the United States from the  
19 Philippines and moving Relan into the 'first position' by securing a \$50,000.00 deposit into escrow,  
20 proof of the deposit, and a supporting declaration from Mr. Relan regarding his ability to close the  
21 transaction. Prior to earlier today, Debtors had difficulty making contact with Mr. Relan. Debtors  
22 were unaware of the devastating impact and floods in the Philippines caused by Typhoon Ketsana.

23 8. Earlier today, I was able to make contact with Mr. Relan, introduced myself to Mr. Relan as  
24 attorney for the Mulugetas, and indicated Mr. Mulugeta had been trying to contact him for several  
25 days and needed to contact him immediately regarding the Harrison contract. Mr. Relan indicated  
26 that due to the storm(s) he had only arrived back into the United States a couple of hours ago, was  
27 aware of Mr. Mulugeta's messages, and left a voice mail message for Mr. Mulugeta. I confirmed  
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1 with Mr. Relan that he was still committed to the transaction. I advised him that I would have Mr.  
2 Mulugeta contact him directly and immediately to move this matter forward.

3 9. Within minutes, Mr. Mulugeta advised me that he made direct contact with Mr. Relan, was  
4 advised by Mr. Relan that the \$50,000.00 deposit would be placed into escrow this morning, Mr.  
5 Relan would provide Mr. Mulugeta with proof of deposit, and Mr. Relan and Mr. Mulugeta would  
6 meet at approximately 1:00 p.m. to address moving this transaction forward.

7 10. I intend to file a further supplemental declaration and/or supplemental declarations as soon as  
8 additional information is brought to my attention.

9 I declare under penalty of perjury under the laws of the United States Of America that the foregoing  
10 is true and correct and executed this 29th day of September 2009, in San Jose, California

11 /s/ William J. Healy

12 William J. Healy

13 Attorneys For Debtors  
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